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Vilsack-Pederson Administration announces more than \$60 million in tax credits to build affordable housing in Iowa

DES MOINES – Today Governor Tom Vilsack and Lt. Governor Pederson marked the 20th anniversary of the Low-Income Housing Tax Credit (LIHTC) program by announcing more than \$60 million in tax credits to developers of affordable housing. The Iowa Finance Authority administers the LIHTC program that has provided more than \$770 million in equity to create housing for thousands of low-and moderate-income Iowans since 1986. Combined with other financing, the total value of these projects exceeds \$1.5 billion.

“Affordable housing is a key component of making Iowa’s communities great places to live, work and raise a family,” Governor Vilsack said. “The developments that will receive tax credits will provide new or rehabilitated housing for hundreds of people in all parts of Iowa and in communities large and small. I’m proud that over the last 20 years the Iowa Finance Authority has partnered with a variety of developers to create opportunities for families to achieve the American dream.”

The federal tax credits provide a dollar-for-dollar reduction to an investor’s federal tax liability on ordinary income. Tax credits are sold to investors to generate equity for the housing developments. The Internal Revenue Service annually allocates \$1.90 per person in credits to each state based on population. Iowa was eligible to distribute about \$6.2 million in tax credits in 2006, but the actual awards exceed \$60 million because the credits are committed annually for a 10-year period.

Congress established the LIHTC program as part of the 1986 Federal Tax Reform Act. President Clinton made the program permanent in 1993 by the Budget Reconciliation Act. In its 20-year history, the program has:

- Provided more than **\$770 million** to help developers finance the construction or rehabilitation of affordable housing.
- Assisted the construction or rehabilitation of **17,088 units** of affordable housing in Iowa.
- Assisted the creation of affordable housing in **83 Iowa counties**. (Projects in **Guthrie** and **Decatur** counties received tax credits in 2006, the first time projects in these counties have received credits.)
- Assisted **156 nonprofit and for-profit developers** of affordable housing.
- Assisted the creation of **various types of housing**, including affordable assisted living that benefits elderly Iowans, service-enriched housing that benefits persons with disabilities, housing for families and more.

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The following is a description of LIHTC awards by community.

Cedar Rapids

The Way Home (5400 Kirkwood Boulevard SW)

- New construction of 24 units of transitional housing
- LIHTC award: \$2.51 million (from service-enriched set-aside)
- Developer: John Garringer (319.390.4611)

Irving Point (929 8th Street SE)

- New construction of 55 units of affordable assisted living
- LIHTC award: \$7.27 million
- Developer: Robert Burns (319.338.7600)

Clinton

New Directions Housing (2733 S 19th Street)

- New construction of 10 units of transitional housing
- LIHTC award: \$1.09 million (from service-enriched set-aside)
- Developer: John Garringer (319.390.4611)

Skyline Center Service-Enriched Housing Project (2700 N 9th Street)

- New construction of 26 units for persons with disabilities
- LIHTC award: \$2.49 million (from service-enriched set-aside)
- Developer: Bill Reinke (515.270.9495)

Council Bluffs

New Visions Center (1435 N 15th Street)

- New construction of 26 units of transitional housing
- LIHTC award: \$1.92 million (from nonprofit set-aside)
- Developer: John Foley (402.963.9099)

Prime Square Apartments (822 S Main)

- New construction of 80 units of housing for older persons
- LIHTC award: \$6.22 million
- Developer: John Grosenheider (712.546.6003)

Davenport

Taylor Heights (1400 Warren Street)

- Rehabilitation of 20 units of affordable assisted living units
- LIHTC award: \$1.89 million (from affordable assisted living set-aside)
- Developer: Chris Ales (563.323.5880)

Marycrest Senior Campus IV (1601 W 12th Street)

- Rehabilitation of 20 units of housing for older persons
- LIHTC award: \$2.44 million
- Developer: Chris Ales (563.323.5880)

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Des Moines

Harrington Apartments (677 16th Street)

- Acquisition/Rehabilitation of 36 units of family housing
- LIHTC award: \$1.94 million (from preservation set-aside)
- Developer: Kris Sadoris (515.246.8016)

Pioneer Woods (34 buildings throughout Des Moines)

- Acquisition/Rehabilitation of 66 units of family housing
- LIHTC award: \$3.43 million (from preservation set-aside)
- Developer: Stella Neill (515.244.8308)

Hawthorn Hill (921 Pleasant Street)

- Acquisition/Rehabilitation of 43 units of family housing
- LIHTC award: \$4.66 million
- Developer: Bruce Larson (952.543.2455)

Dunlap

Dunlap Assisted Living (1403 Harrison Road)

- New construction of 10 units of affordable assisted living
- LIHTC award: \$760,760 (from nonprofit set-aside)
- Developer: Christy Hofsaess (515.224.4442)

Humboldt

Humboldt Workshop Service-Enriched Housing Project (725 11th Avenue N)

- New construction and rehabilitation of 19 units of housing for persons with disabilities
- LIHTC award: \$2.27 million (from service-enriched set-aside)
- Developer: Bill Reinke (515.270.9495)

Iowa City

Melrose Ridge (4435 & 4455 Melrose Avenue)

- New construction of 18 units of housing for persons with disabilities
- LIHTC award: \$1.53 million (from service-enriched set-aside)
- Developer: Robert Burns (319.338.7600)

Lamoni

Lamoni Assisted Living (190 S Chestnut Street)

- New construction of eight units of affordable assisted living
- LIHTC award: \$596,550 (from nonprofit set-aside)
- Developer: Christy Hofsaess (515.224.4442)

North Liberty

Jefferson Point (45 W Jefferson Street)

- New construction of 30 units of housing for older persons
- LIHTC award: \$2.67 million (from service-enriched housing set-aside)
- Developer: Jesse Burns (319.626.2228)

Odebolt

Odebolt Assisted Living (801 S Des Moines Street)

- New construction of 10 units of affordable assisted living
- LIHTC award: \$752,680 (from nonprofit set-aside)
- Developer: Christy Hofsaess (515.224.4442)

Panora

Panora Assisted Living (805 E Main Street)

- New construction of 11 units of affordable assisted living
- LIHTC award: \$843,660 (from nonprofit set-aside)
- Developer: Christy Hofsaess (515.224.4442)

Sioux City

Sanctuary Apartments (3300 W 4th Street)

- New construction of 24 units of transitional housing
- LIHTC award: \$2.27 million (from service-enriched set-aside)
- Developer: Clifford Millard (712.234.2349)

Webster City

Stone Ridge Townhomes (305 Fairmeadow Drive)

- Acquisition/Rehabilitation of 42 units of housing for families
- LIHTC award: \$1.15 million (from preservation set-aside)
- Developer: Jon Coons (515.727.1706)

Waterloo

Heritage Apartments (1306 W Donald Street)

- Acquisition/Rehabilitation of 101 units of housing for families
- LIHTC award: \$5.07 million (from preservation set-aside)
- Developer: John Foley (402.963.9099)

The ROSE of Waterloo (421 Oak Avenue)

- New construction of 64 affordable assisted living units for seniors
- LIHTC award: \$7.76 million (from affordable assisted living set-aside)
- Developer: Greg McClenahan (952.224.8667)

Waverly

Community-Based Services Service-Enriched Housing Project (1404 3rd Street SW)

- New construction and Acquisition/Rehabilitation of 12 units of housing for persons with disabilities
- LIHTC award: \$1.04 million (from service-enriched set-aside)
- Developer: Bill Reinke (515.270.9495)

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Note to media: *These tools are available by request from Shawna Lode at 515.242.5006 or shawna.lode@iowa.gov:*

- *A two-page synopsis of the LIHTC program, including frequently asked questions*
- *Aggregate totals for the 2006 allocation round*
- *Photographs of project sites or architectural drawings*